

JDL Technologies, Inc.
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May 16, 2011

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This letter is an appeal of a Notification of improperly disbursed funds dated March 16, 2011.

Form 471 Application Number 414000, Funding year 2004

Billed Entity Number: 144227

FCC Registration Number: 0012236949

See attached Funding Disbursement Recovery Report.

Regarding the issue of the improperly disbursed funds of \$365 for ineligible extended warranty and power strips in the past we have found these to be eligible for reimbursement.

Regarding the issue of improperly disbursed funds JDL was aware of and audited the final billed and actually reimbursed funds to USAC and OUSD in 2009. The excess services and products invoiced were eventually refunded so we are not aware of any excess net billings.

A handwritten signature in black ink, appearing to read 'Ramon Burton', with a stylized flourish extending to the right.

Ramon Burton
Corporate Controller



Notification of Improperly Disbursed Funds Recovery Letter
Funding Year 2004: July 1, 2004 - June 30, 2005

March 16, 2011

Melissa Johnson
JDL Technologies, Inc.
10900 Red Circle Drive
Minnetonka, MN 55343

Re: SPIN: 143004549
Form 471 Application Number: 414000
Funding Year: 2004
FCC Registration Number:
Applicant Name: OAKLAND UNIFIED SCHOOL DIST
Billed Entity Number: 144227
Applicant Contact Person: Oswaldo A Galarza

Our routine review of Schools and Libraries Program (Program) funding commitments has revealed certain applications where funds were disbursed in violation of Program rules.

In order to be sure that no funds are used in violation of Program rules, the Universal Service Administrative Company (USAC) must now recover these improper disbursements. The purpose of this letter is to inform you of the recoveries as required by Program rules, and to give you an opportunity to appeal this decision. USAC has determined the service provider is responsible for all or some of the Program rule violations. Therefore, the service provider is responsible to repay all or some of the funds disbursed in error.

This is NOT a bill. The next step in the recovery of improperly disbursed funds process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see "Red Light Frequently Asked Questions (FAQs)" posted on the FCC website at http://www.fcc.gov/debt_collection/faq.html.

TO APPEAL THIS DECISION:

You have the option of filing an appeal with USAC or directly with the Federal Communications Commission (FCC).

If you wish to appeal the Notification of Improperly Disbursed Funds decision indicated in this letter to USAC your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Improperly Disbursed Funds Recovery Letter and the Funding Request Number(s) (FRN) you are appealing. Your letter of appeal must include the
 - Billed Entity Name,
 - Form 471 Application Number,
 - Billed Entity Number, and
 - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Funding Disbursement Recovery Report included with this letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.
4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.
To submit your appeal to USAC by email, email your appeal to appeals@sl.universalservice.org. USAC will automatically reply to incoming emails to confirm receipt.

To submit your appeal to us by fax, fax your appeal to (973) 599-6542.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Rd.
P. O. Box 902
Whippany, NJ 07981

For more information on submitting an appeal to USAC, please see the "Appeals Procedure" posted on our website.

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted on our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

FUNDING DISBURSEMENT RECOVERY REPORT

On the pages following this letter, we have provided a Funding Disbursement Recovery Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from the application for which recovery is necessary. See the "Guide to USAC Letter Reports" posted at <http://usac.org/sl/tools/reference/guide-usac-letter-reports.aspx> for more information on each of the fields in the Report. USAC is also sending this information to the applicant for informational purposes. If USAC has determined the applicant is also responsible for any rule violation on these FRN(s), a separate letter will be sent to the applicant detailing the necessary applicant action. The Report explains the exact amount the service provider is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: Oswaldo A Galarza
OAKLAND UNIFIED SCHOOL DIST

Funding Disbursement Recovery Report
for Form 471 Application Number: 414000

Funding Request Number:	1138904
Contract Number:	N/A
Services Ordered:	INTERNAL CONNECTIONS
Billing Account Number:	
Funding Commitment:	\$0.00
Funds Disbursed to Date:	\$6,228,536.53
Funds to be Recovered from Service Provider:	\$5,108.42

Disbursed Funds Recovery Explanation:

After a thorough review, it was determined \$5,108.42 was improperly disbursed for this funding request.

During the course of an audit it was determined that funding was disbursed for the following ineligible items: extended warranty and power strips. The pre-discount ineligible cost associated with these items is \$405.55. At the applicants 90 percent discount rate this resulted in an improper disbursement of \$365.00. FCC rules provide that funding may be approved only for eligible products and/or services. The USAC web site contains a list of eligible products and/or services. See the web site, www.universalservice.org/sl/about/eligible-services-list.aspx for the Eligible Services List. On the SPAC Form, the authorized person certifies at Item 10 that the service provider has billed its customer for services deemed eligible for support. Therefore, USAC has determined that the service provider is responsible for this rule violation. Accordingly, USAC is seeking recovery of \$365.00 of improperly disbursed funds from the service provider.

Also, after a thorough investigation, it has been determined that funds were improperly disbursed on this funding request. During the course of an audit it was determined that the funds were disbursed in excess of products and/or services actually delivered to the applicant. Specifically, the service provider invoiced USAC in excess of the amount billed and services provided to the applicant. FCC rules authorize USAC to disburse funds to service providers for providing supported services to eligible entities. These rules are violated if the service provider invoices USAC and receives payment for services and/or products in excess of what it delivered to the eligible entity. Since the services were invoiced via a SPI, this violation was caused by an act or omission of the service provider because the service provider is responsible for ensuring that it only receives support for services and/or products that it actually provides to its customers. Accordingly, USAC will seek recovery of the \$4,743.42 of improperly disbursed funds from the service provider.

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